

Southern hemisphere citrus arrivals entering citrus-hungry US market

Citrus – Easy Peelers:

Little has changed in the easy peeler market in North America since last week's report from Mark Greenberg with Capespan. California is cleaning up the last of its late mandarins and arrivals from Chile and Peru continue to arrive, but not yet in sufficient volume to fully meet market needs. The clementine harvest in Chile's IV Region (Coquimbo) continues apace with Clemenules and Oro Grande from that region forming the greatest part of the Chilean loadings. The harvest in Chile's V Region (Valparaiso) which includes the Aconcagua Valley is also gaining momentum but through week 22, the fruit has been slow to gain color. Indeed, the region has seen a fairly dry autumn although some precipitation has been predicted for the coming days which may delay picking but will help color development of easy peelers and oranges.

Through week 21, Chile loaded 15,980 metric tons of clementines to the US market, representing a 33.3 percent increase over the same period last year. It should be noted that these comparative numbers are skewed by the fact that Chile's clementine loadings in weeks 21 and 22 last year were negatively impacted as a result of precipitation that slowed the Chilean harvest in the preceding weeks.

This year, Chile continues to ship almost all of its clementines to the USA. Indeed, 99.6 percent of Chile's total clementine exports by weight have been shipped to the US. As noted in past reports, Chile continues to allocate a greater percentage of its early clementines to the USWC than it has in past years. Through week 21 this season, Chilean loadings to the USEC accounted for 58.7 percent of its total US clementine shipments with 41.3 percent headed to the USWC. Last season through week 21, Chilean shippers had loaded 70 percent of their clementines to the USEC and only 30 percent to the USWC.

Peruvian soft citrus continues to load for the USEC with 425,000 cases having departed through week 22 of which 250,000 are the early Primasole variety and 35,000 are manifested as clementines. The remainder of the volume is comprised of satsumas which will continue to load for another two weeks. Indeed, the early absence of California mandarins in the market has given the Peruvian Primasoles and satsumas an opportunity in the US that they rarely enjoy.

Chilean Clementine Loadings to USA

(Metric Tons)

Week	East Coast			West Coast			Total		
	2018	2017	% Change	2018	2017	% Change	2018	2017	% Change
14	-	-	--	24.1	-	--	24.1	-	--
15	-	169.9	--	24.1	21.6	11.6%	24.1	191.5	-87.4%
16	366.9	559.8	-34%	171.5	64.0	168.0%	538.4	623.8	-13.7%
17	571.2	936.3	-39%	269.6	151.3	78.2%	840.8	1,087.6	-22.7%
18	813.2	1,268.7	-36%	700.0	672.1	4.2%	1,513.2	1,940.8	-22.0%
19	1,563.6	1,786.4	-12%	1,505.5	673.0	123.7%	3,069.1	2,459.4	24.8%
20	2,728.0	1,996.2	37%	1,725.6	884.1	95.2%	4,453.6	2,880.3	54.6%
21	3,334.7	1,675.4	99%	2,182.2	1,132.3	92.7%	5,516.9	2,807.7	96.5%
Total	9,377.6	8,392.7	12%	6,602.6	3,598.4	83.5%	15,980.2	11,991.1	33.3%

Source: Decofut Fruitonline

South Africa's clementines continue to run late as much needed rain in the Western Cape has slowed the harvest and diverted some volume of easy peelers away from the USEC. Through week 21, South African sources had loaded 2,047 pallets of clementines to the USEC, the greatest part of which will arrive in Gloucester, NJ aboard the m/v Green Chile on June 18.

With all of this, the USEC soft citrus market in week 22 remains robust on volumes that remain unable to meet retailer demand. Today, Chilean clementines are selling on the USEC at US\$ 38 – 40 for 10 x 3 lbs bags with some sellers seeking US\$ 42. On the USWC, the market is at US\$ 40 – 42. Peruvian clementines (mostly restricted to the USEC) are selling at US\$ 36 – 38, a price influenced by the fact that Primasoles are not acceptable everywhere.

Numerous fixed retail programs started up in week 22 and, as usual, this is soaking up much of the product leaving a reduced volume available for "spot" sales. We believe that with the pipeline not yet filled, the USEC market will remain solid and

undisturbed through week 23 even in spite of the expectation of heavier Chilean arrivals from week 23 onward.

Navel Oranges:

There is little news to report on the navel orange front. California fruit is increasingly scarce and growers are shipping Valencias to their orange-hungry customers who we can only assume are impatiently awaiting the start of the offshore navel oranges. As they approach the finish line, California navel prices vary widely as a function of grade and size. Fancy navel oranges are selling US\$ 25 – 26 for 48's and 56's with Choice fruit selling US\$ 3 – 4 less. Fancy 72's and 88's are selling at US\$ 26 – 28 with Choice US\$ 4 – 5 lower. For sizes 113 and 138, Fancy and Choice are moving at US\$ 26 – 28.

On the import side, there is no orange market yet to quote. Through week 21, South Africa has shipped 2,700 pallets of navel oranges to the US, most of which (2,216 pallets) will not arrive until June 18 aboard the bulk vessel the m/v Green Chile. The other small volume will arrive by container in the two weeks preceding that vessel's arrival.

Chile's navel oranges have been slow to mature as an absence of rain has delayed color development and has kept acid levels from dropping. Through week 21, a total of 89 metric tons of navel oranges have been shipped from Chile to the USEC. The shippers of this fruit are likely to capture a very hot market if the product meets the maturity (sugar:acid) standards imposed by the Marketing Order for Oranges. Any fruit that fails to meet that standard will be relegated to Canada...a less welcoming navel orange market.

Lemons:

The first of the Argentine lemons have hit the market and are in the hands of a few receivers. The Argentine shippers are, perhaps wisely, making an effort to ensure that the market for their products is not unduly fragmented. Those shippers want to compete with Chile, not among themselves. But that is easier said than done.

Today, the lemon market is populated with California product (tending to larger sizes), Argentina lemons (some Premium but mostly Choice grade) and a light volume of Chilean lemons of mostly Choice grade.

The sellers of Argentine lemons are looking for US\$ 34 – 36 for the Premium 95's, 115's, 140's and 165's and US\$ 26 – 28 for their Choice grade (non-PLU'd) fruit. Choice lemons from Chile are for the moment enjoying the same price as their Argentine counterparts at US\$ 26 – 28 for 95's, 115's, 140's and 165's.

California lemons delivered to the USEC are also competing at similar levels. Large caliber California lemons are getting backed up causing some shippers to use their Valencia oranges as hostage to move lemons.

For more information:

Mark Greenberg

Capespan North America

Tel: +1 (514) 739-9181

markg@caquespan-na.com

www.capespan-na.com

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